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10 ATTORNEYS FOR DEFENDANTS AND  
11 COUNTERCLAIMANTS PLAYER DEVELOPMENT  
12 PRODUCTS, LLC, AND SNAG, INC. AND DEFENDANT  
13 TERRENCE ANTON

14 UNITED STATES DISTRICT COURT  
15  
16 NORTHERN DISTRICT OF CALIFORNIA  
17  
18 OAKLAND DIVISION

19 ASSURANCE INDUSTRIES COMPANY,  
20 INC., a California corporation,

21 Plaintiff,

22 v.

23 SNAG, INC., a Florida corporation;  
24 TERRENCE P. ANTON, an individual and  
25 resident of Oklahoma; WALTER E.  
26 ARMSTRONG III, an individual and resident  
27 of Florida; PLAYER DEVELOPMENT  
28 PRODUCTS, LLC, a Florida limited liability  
company: and DOES 1 through 100,

Defendants.

SNAG, INC., a Florida corporation; PLAYER  
DEVELOPMENT PRODUCTS, LLC, a  
Florida limited liability company,

Counter-Claimants,

v.

ASSURANCE INDUSTRIES COMPANY,  
INC., a California corporation, AND SHENG  
HSIUNG CHEN a/k/a STEVE CHEN,

Counter-Defendants.

CASE NO. CV 10 1718 SBA  
JUDGMENT

1 Plaintiff and Cross-Defendant ASSURANCE INDUSTRIES COMPANY, INC. and  
2 Cross-Defendant SHENG HSIUNG CHEN a/k/a STEVE CHEN (collectively “AIC”), on the one  
3 hand, and Defendants and Cross-Complainants Player Development Products, LLC, SNAG, Inc.  
4 and TERRENCE P. ANTON (collectively “SNAG”), on the other, stipulate to judgment as set  
5 forth below.

6 Judgment is hereby entered in favor of SNAG and against AIC as follows:

7 **FINDINGS OF FACT**

8 “SNAG” is an acronym for “starting new at golf.” SNAG is in the business of  
9 researching, developing, and marketing products that, among other things, make it easy and fun  
10 for people of all ages to learn and enjoy the game of golf—primarily through the golf-like game  
11 patented by SNAG, Inc. In addition to its patents, SNAG, Inc. is the owner of registered  
12 trademarks covering products used in the SNAG, golf-like game and golf teaching program.  
13 SNAG has licensed its patent and trademark rights on an exclusive basis to Player Development  
14 Products, LLC, which in turn arranges for the manufacture of SNAG products and sells such  
15 products.

16 Player Development Products, LLC and AIC had an ongoing commercial relationship  
17 under which SNAG used AIC to manufacture SNAG products. The relationship between SNAG  
18 and AIC terminated in March 2010 (the “Termination”). Since that time, SNAG has exclusively  
19 used Gopher Golf Co., LTD to manufacture SNAG products, and Gopher Golf Co., LTD is the  
20 only company authorized to manufacture or otherwise produce SNAG products.

21 In the course of its work to manufacture SNAG products before Termination, AIC used  
22 prototypes and production molds containing the SNAG mark and its intellectual property. AIC  
23 states that it used third-parties, including contract employees, factories and manufacturing  
24 companies (collectively “Contractors”) to make SNAG products, and that AIC gave (or caused to  
25 be given) possession of certain SNAG prototypes and/or production molds to Contractors. One  
26 of these Contractors goes by the English name “Mark Liu,” whose last-known phone number is  
27 86-133-6888-6866, address unknown at this time. Without consent, Mark Liu has unlawfully  
28 marketed SNAG products for sale.

The following chart shows the manufacturer, chain of custody and current possessor of selected SNAG molds initially created or controlled by AIC:

Mold Type and Maker (w/date of manufacture)	Transferred To (w/date and reason for transfer)	Transferred To (w/date and reason for transfer)	Currently Held By (include all known contact info)
Launcher, RH, AIC/Dan Goods/On Lee, Sept. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Launcher, LH, AIC/Dan Goods/On Lee, Sept. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Roller, AIC/Dan Goods/On Lee, Sept. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Flagsticky, AIC/Dan Goods/On Lee, Sept. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Flagsticky cap/flagholder, AIC/Dan Goods/On Lee, Sept. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Launch Pad/ AIC/Dan Goods/On Lee, Sept. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Blue Tee, AIC/Dan Goods/On Lee, Sept. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Roller Brush, AIC/Dan Goods/On Lee, Oct. 2000	Chic Sports / expert in sporting goods, May 2004	Tak Shun Ind. / better factory in plastic molding prod. Jan 2005	Mr. Liu Zheng Qiang, 86-133-6888-6866
Grips, AIC/Dan Goods/Chaucer, Sept. 2000	Shanghai Xiangfu Electrical Elements Co. Aug. 2009		Shanghai Xiangfu Electrical Elements Co. 86-21-5913-7565
Ball, AIC/Dan Goods/Chic Sports, Oct. 2000	Yangzhou Flight Sporting Goods Co. 2005. Better supplier.		Yangzhou Flight Sporting Goods Co. 86-514-8827-9160
SNAG-O-Matic, AIC/Dan Goods/Yangzhou Flight Sporting Goods Co. May, 2008			Yangzhou Flight Sporting Goods Co. 86-514-8827-9160
Super Launcher head hand-made model, RH, AIC/Dan Goods/Liu Zheng Qiang, Jan. 2010, left behind in factory office.			Left in office at 2 <sup>nd</sup> Fl., Bldg. 2E, Nanshan 2 <sup>nd</sup> Ind. Dist, Yientien, Fenggang, Dongguang. I suspect it is in Mr. Liu Zheng Qiang's hand.

## ORDERS

1. AIC's Complaint. AIC shall take nothing by the Complaint and its action shall be dismissed with prejudice.

2. SNAG's Countersuit. On SNAG's Counterclaims, the Court orders, adjudges and decrees the following:

- a. All SNAG products, prototypes and molds embody and contain SNAG, Inc.'s intellectual property, including without limitation trademark and trade dress rights (all of the aforementioned rights, products, prototypes and molds are collectively referred to as the "SNAG Intellectual

Property”). AIC has no right, title or interest in or to any SNAG Intellectual Property. AIC is enjoined from possessing, marketing, or selling, or contributing to any such activities by a Contractor with respect to any SNAG product, prototype, mold, or anything else that bears, contains or embodies any SNAG Intellectual Property.

b. As of the Termination in March 2010, SNAG did not owe any money or other obligation to AIC.

c. Any and all SNAG molds or prototypes (or any other material containing SNAG Intellectual Property) in the possession of any Contractor are the property of SNAG and shall be destroyed under the supervision of SNAG (or its designee), including without limitation any molds or prototypes held by Mark Liu.

d. Except for SNAG products either made by Gopher Golf or purchased by and delivered to SNAG or its designees by AIC before the Termination, any and all existing SNAG products are deemed unauthorized and counterfeit, including in particular any products being held by any of AIC’s Contractors (collectively the “Unauthorized Product”). Unauthorized Product includes without limitation the container of \$55,527.00 in SNAG product being held by AIC in Fremont, the \$53,619.35 worth of SNAG product that AIC had on hand as of the Termination (which included the attached list of products), all SNAG products displayed at the 2010 and 2011 Beijing Golf Shows, and all products held or marketed by a Mark Liu or Mr. Liu.

e. All Unauthorized Product shall be destroyed under the supervision of SNAG (or its designee).

3. Compliance With the Above Orders. To the extent the above orders can be carried out by AIC, performance is due within 60 days. Otherwise, AIC shall use diligent and best efforts to carry out the above, including without limitation contacting Contractors, arranging


and/or participating in telephone or face-to-face meetings (with face-to-face meetings being limited to one such meeting if required by any legal proceeding initiated to recover SNAG molds and/or SNAG products in the possession of Mark Liu), writing letters or other correspondence, signing or producing documents, and conducting other like activities that may be necessary or helpful to fulfill the requirements of this judgment. Furthermore, AIC shall cooperate (by doing the aforementioned activities) with SNAG, its Chinese distributor, Gopher Golf, and any Chinese government officials to:

- a. Fulfill the requirements of this judgment;
- b. Stop the production, marketing, sale or perpetuation of Unauthorized Product;
- c. Hold any persons accountable for the unlawful production, marketing, sale or perpetuation of Unauthorized Product;
- d. Revive prior orders in China for SNAG product that were lost as a result of the unlawful production, marketing, sale or perpetuation of Unauthorized Product, including without limitation the orders that SNAG's Chinese distributor lost from the Chinese government when Mark Liu contacted them and undercut the distributor's pricing with counterfeit product.

4. Reasonable costs incurred by AIC in the physical destruction of SNAG molds, products, and/or prototypes of SNAG products, and extraordinary costs in cooperating with SNAG to recover SNAG molds and prototypes in the possession of Mark Liu, should be reimbursed by Player Development Products, LLC.

IT IS SO ORDERED.

DATED: JANUARY 28, 2013

  
HON. SAUNDRA B. ARMSTRONG  
UNITED STATES DISTRICT JUDGE

1 AGREED AND ACCEPTED BY:

2 Dated: JANUARY \_\_\_\_, 2013

3 By: /s/  
4 SHENG HSIUNG CHEN a/k/a STEVE CHEN

5 Dated: JANUARY \_\_\_\_, 2013

ASSURANCE INDUSTRIES, INC.

6  
7 By: /s/  
8 By: SHENG HSIUNG CHEN aka STEVE CHEN  
9 Its: PRESIDENT

10 Dated: JANUARY \_\_\_\_, 2013

PLAYER DEVELOPMENT PRODUCTS, LLC

11 By: /s/  
12 By: TERRENCE ANTON  
13 Its: Member

14 Dated: JANUARY \_\_\_\_, 2013

SNAG, INC.

15 By: /s/  
16 By: TERRENCE ANTON  
17 Its: President

18 APPROVED AS TO FORM BY:

19 DATED: JANUARY \_\_\_\_, 2013

BERLINER COHEN

20  
21 BY: /s/  
22 THOMAS P. MURPHY  
23 ATTORNEYS FOR PLAYER DEVELOPMENT  
24 PRODUCTS, LLC, SNAG, INC., AND TERRENCE  
25 ANTON

26 DATED: JANUARY \_\_\_\_, 2013

LAW OFFICES OF ADAM WANG

27 By: /s/  
28 ADAM WANG  
ATTORNEYS FOR ASSURANCE INDUSTRIES  
COMPANY, INC. AND STEVE CHEN

1 AGREED AND ACCEPTED BY:

2 Dated: JANUARY 17, 2013

3

4

By: /s/ Sheng Hsiung Chen  
SHENG HSIUNG CHEN a/k/a STEVE CHEN

5 Dated: JANUARY 17, 2013

6

7

8

By: /s/ Sheng Hsiung Chen  
By: SHENG HSIUNG CHEN aka STEVE CHEN  
Its: PRESIDENT

9 Dated: JANUARY 17, 2013

10

11

12

ASSURANCE INDUSTRIES, INC.

By: /s/ Terrence Anton  
By: TERRENCE ANTON  
Its: Member

13 Dated: JANUARY 17, 2013

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By: /s/ Terrence Anton  
By: TERRENCE ANTON  
Its: President

18 APPROVED AS TO FORM BY:

19 DATED: JANUARY 17, 2013

20

21

22

23

BERLINER COHEN

By: /s/ Thomas P. Murphy  
THOMAS P. MURPHY  
ATTORNEYS FOR PLAYER DEVELOPMENT  
PRODUCTS, LLC, SNAG, INC., AND TERRENCE  
ANTON

24 DATED: JANUARY 17, 2013

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28

LAW OFFICES OF ADAM WANG

By: /s/ Adam Wang  
ADAM WANG  
ATTORNEYS FOR ASSURANCE INDUSTRIES  
COMPANY, INC. AND STEVE CHEN

CASE NO. CV 10 1718 SBA

-6-

STIPULATED JUDGMENT